



October 20, 2023

Initial Proposal Volume II Initial Draft Update

The Montana Broadband Office (MBO) posted the first draft of its Initial Proposal Volume II on September 28, 2023 for public comment and discussed the draft in detail at the most recent convening of the Communications Advisory Commission on October 11, 2023.

Based on feedback received over the last few weeks, the MBO has incorporated revisions into the scoring section.

The revised subgrantee application scoring approach has been posted here to provide visibility into the recent changes and to solicit any additional feedback regarding this update as the MBO continues to refine Volume II of its Initial Proposal.

DRAFT



Prioritization and Scoring Process

Text Box: Describe how the prioritization and scoring process will be conducted and is consistent with the BEAD NOFO requirements on pages 42 – 46.

Primary criteria (priority projects):

Minimal BEAD program outlay—per project BEAD grant request: Maximum of 40 points possible

- Subgrantee applicants will provide the list of CBGs and the grant request amount for each project area they are applying for. If a subgrantee chooses to submit multiple applications, each for a different project area composed of one or more CBGs, then for each application, the provider should note the CBGs that comprise the project area and the grant request for each project area. Each application will be scored and evaluated separately.
- The MBO will calculate the reference funding benchmark for each project area by summing up the benchmarks for each CBG included in an individual project area. The benchmark for each CBG will be based on the CostQuest Associates cost model provided by NTIA as a starting point. As noted above, the reference benchmark for each CBG will be shared with applicants as part of the application materials.
- Points will be awarded to applicants based on the percentage their requested grant funding amount is below or above the benchmark for a given project area. Specifically, points will be calculated as follows: $40 - (20 * (\text{grant request amount} / \text{benchmark}))$, with a minimum of zero points possible and a maximum of 40 points possible.
- For example, assume the benchmark for a particular project area is \$100. If the grant request amount is \$150, then the applicant would receive 10 points: $40 - (20 * (150/100)) = 10$. If the grant request amount is \$50, then the applicant would receive 30 points: $40 - (20 * (50/100)) = 30$.

Affordability—Lowest price for 1/1 Gbps service commitment: Maximum of 20 points possible

- Subgrantee applicants who commit to offering 1/1 Gbps service to the customers in BEAD project areas at the lowest rate they offer in their existing markets will earn 20 points.
- If applicants do not currently offer 1/1 Gbps service, they may make forward-looking commitments to offer the same rates for 1/1 Gbps plans across all locations to earn 20 points.
- Subgrantee applicants who do not make one of these commitments will earn 0 points.
- Applicants who fail to deliver on their pricing commitments will be subject to clawback provisions as outlined in Section 2.16.2: Subgrantee Accountability Procedures.

Fair labor practices: Maximum of 15 points possible

- Subgrantee applicants will provide details of their past compliance with federal fair labor laws, according to the requirements outlined in 2.7.1. Subgrantee applicants will have the opportunity to earn points for making forward-looking commitments to offering Montana prevailing wages to their BEAD project workforce.



- Points will be awarded to applicants based on both their past record of compliance and commitment to offer Montana prevailing wages. Applicants who meet all requirements for past compliance with federal fair labor laws will receive 10 points, while applicants with 1 past violation will receive 5 points, and applicants with more than 1 past violation will receive 0 points. Applicants who commit to offering Montana prevailing wages to their BEAD project workforce will receive an additional 5 points.
- Applicants who fail to deliver on their forward-looking federal fair labor law commitments will be subject to clawback provisions as outlined in Section 2.16.2: Subgrantee Accountability Procedures.

Primary criteria (non-priority projects):

Minimal BEAD program outlay—per project BEAD grant request: Maximum of 40 points possible

- Subgrantee applicants will provide the list of CBGs and the grant request amount for each project area they are applying for. If a subgrantee chooses to submit multiple applications, each for a different project area composed of one or more CBGs, then for each application, the provider should note the CBGs that comprise the project area and the grant request for each project area. Each application will be scored and evaluated separately.
- The MBO will calculate the reference funding benchmark for each project area by summing up the benchmarks for each CBG included in an individual project area. The benchmark for each CBG will be based on the CostQuest Associates cost model provided by NTIA as a starting point. As noted above, the reference benchmark for each CBG will be shared with applicants as part of the application materials.
- Points will be awarded to applicants based on the percentage their requested grant funding amount is below or above the benchmark for a given project area. Specifically, points will be calculated as follows: $40 - (20 * (\text{grant request amount} / \text{benchmark}))$, with a minimum of zero points possible and a maximum of 40 points possible.
- For example, assume the benchmark for a particular project area is \$100. If the grant request amount is \$150, then the applicant would receive 10 points: $40 - (20 * (150/100)) = 10$. If the grant request amount is \$50, then the applicant would receive 30 points: $40 - (20 * (50/100)) = 30$.

Affordability—Lowest price for 100/20 Mbps service commitment: Maximum of 20 points possible

- Subgrantee applicants who commit to offering 100/20 Mbps service to the customers in BEAD project areas at the lowest rate they offer in their existing markets will earn 20 points.
- If applicants do not currently offer 100/20 Mbps service, they may make forward-looking commitments to offer the same rates for 100/20 Mbps plans across all locations to earn 20 points.
- Subgrantee applicants who do not make one of these commitments will earn 0 points.
- Applicants who fail to deliver on their pricing commitments will be subject to clawback provisions as outlined in Section 2.16.2: Subgrantee Accountability Procedures.



Fair labor practices: Maximum of 15 points possible

- Subgrantee applicants will provide details of their past compliance with federal fair labor laws, according to the requirements outlined in 2.7.1. Subgrantee applicants will have the opportunity to earn points for making forward-looking commitments to offering Montana prevailing wages to their BEAD project workforce.
- Points will be awarded to applicants based on both their past record of compliance and commitment to offer Montana prevailing wages. Applicants who meet all requirements for past compliance with federal fair labor laws will receive 10 points, while applicants with 1 past violation will receive 5 points, and applicants with more than 1 past violation will receive 0 points. Applicants who commit to offering Montana prevailing wages to their BEAD project workforce will receive an additional 5 points.
- Applicants who fail to deliver on their forward-looking federal fair labor law commitments will be subject to clawback provisions as outlined in Section 2.16.2: Subgrantee Accountability Procedures.

Secondary criteria (priority projects):

Speed to deployment: Maximum of 4 points possible

- Subgrantee applicants will provide the timeframe in which they are making a binding commitment to complete deployment of their BEAD-funded broadband project. Completion of a BEAD-funded broadband project means that for all locations within a given project area, construction is completed, and a customer could receive service within 10 days upon request.
- Points will be awarded to applicants based on the number of years before the 4-year BEAD deployment deadline that they commit to completing deployment. Specifically, points will be calculated as follows: $4 - \text{number of years to deployment}$.
- For example, if a subgrantee applicant commits to deploying broadband in 3 years, then the applicant would receive 1 point: $4 - 3 = 1$. If a subgrantee applicant commits to deploying broadband in 1 year, then the applicant would receive 3 points: $4 - 1 = 3$. To receive the maximum number of points under this category (4), an applicant would need to commit to completing deployment in less than 1 year. If an applicant takes more than 3 years to deploy broadband, then the applicant would receive 0 points.
- Applicants who fail to deliver on their deployment commitments will be subject to clawback provisions as outlined in Section 2.16.2: Subgrantee Accountability Procedures.

Unserved areas: Maximum of 10 points possible

- When the MBO releases application materials for the subgrantee process, the list of un- and underserved locations within each CBG will also be published. Subgrantee applicants will create project areas comprised of one or more CBGs. Since subgrantees must bid on all un- and underserved locations in a CBG, the MBO will have the list of un- and underserved locations that each subgrantee applicant is committing to provide with broadband service.
- Points will be awarded to applicants based on the percentage of unserved locations in their proposed project area out of the total broadband serviceable locations in their proposed project area. Specifically, points will be calculated as follows: 1 point will be awarded for every 10% of unserved locations in the project area.



- For example, if a project area contains 50% unserved locations, then the applicant would receive 5 points. If the project area contains 80% unserved locations, then the applicant would receive 8 points.

Number of locations served: Maximum of 1 point possible

- As mentioned above, subgrantee applicants will bid on project areas that represent one or more CBGs consisting of a defined set of un- and underserved Broadband Serviceable Locations (BSLs). In addition to the BSLs, the MBO will also publish the list of Community Anchor Institutions (CAIs) within each CBG. Subgrantee applicants will specify in their applications which CAIs they propose to deploy broadband service to.
- Points will be awarded to applicants based on the total number of locations (BSLs and CAIs) in their proposed project area. Once all applications are received, the MBO will calculate the average number of locations (BSLs and CAIs) proposed to be served across all project areas. Specifically, points will be calculated as follows: 1 point will be awarded if an applicant's proposed number of locations (BSLs and CAIs) for a particular project area exceeds the average number of locations (BSLs and CAIs) across all project areas. No points will be awarded if the proposed number of locations (BSLs and CAIs) for a particular project area is less than the average number of locations (BSLs and CAIs) across all project areas.
- For example, if the average number of locations (BSLs and CAIs) across all project areas is 5,000 and the number of locations (BSLs and CAIs) proposed for a particular project area is 6,000, the project area would receive 1 point. If the number of locations (BSLs and CAIs) proposed for a particular project area is 4,000, the project area would receive 0 points.

Length of service in Montana: Maximum of 1 point possible

- Subgrantee applicants will provide the length of time they have been providing broadband service in the state, including broadband service provided by any legacy companies.
- Points will be awarded to applicants based on the length of time they have been providing broadband service in Montana. Specifically, points will be calculated as follows: 1 point will be awarded to any subgrantee applicant who has been providing broadband service in Montana for at least 10 years.

Existing infrastructure: Maximum of 5 points possible

- To receive points for existing infrastructure, subgrantee applicants will provide a shapefile that shows their existing infrastructure in relation to their proposed network design for BEAD funded infrastructure.
- Points will be awarded based on the proposed network design's proximity to the existing service area. Specifically, points will be calculated based on the existing infrastructure's distance to the proposed network design as indicated in Exhibit 16.



Exhibit 1: Priority project existing infrastructure scoring rubric

Proximity to proposed network design	Points
< 1 miles	5
1 – 5 miles	4
5 – 10 miles	3
10 – 15 miles	2
15 – 20 miles	1

High-cost areas: Maximum of 4 points possible

- When the MBO releases application materials for the subgrantee process, it will include the CBGs eligible for funding with the corresponding set of un- and underserved locations. Furthermore, the MBO will also designate which CBGs are classified as high-cost CBGs based on the definition of high-cost areas as determined by NTIA as part of the BEAD allocation process.¹
- Points will be awarded to applicants based on the percentage of un- and underserved locations in high-cost CBGs included in a particular project area. Once applications are received, all project areas that include at least 1 high-cost CBG will be ranked from highest to lowest based on the percentage of un- and underserved locations in high-cost CBGs included in the project area. All project areas will then be assigned to a quartile based on the rank ordering. Specifically, points will be calculated as follows: 1 point will be awarded to any project area in the bottom quartile, 2 points will be awarded to any project area in the second lowest quartile, 3 points will be awarded to any project area in the second highest quartile, and 4 points will be awarded to any project area in the top quartile. Project areas without any high-cost CBGs will receive 0 points.

Secondary criteria (non-priority projects):

Speed to deployment: Maximum of 4 points possible

- Subgrantee applicants will provide the timeframe in which they are making a binding commitment to complete deployment of their BEAD-funded broadband project. Completion of a BEAD-funded broadband project means that for all locations within a given project area, construction is completed, and a customer could receive service within 10 days upon request.
- Points will be awarded to applicants based on the number of years before the 4-year BEAD deployment deadline that they commit to completing deployment. Specifically, points will be calculated as follows: 4 – number of years to deployment.

¹ BEAD Allocation Methodology. Internet for All. <https://www.internet4all.gov/program/broadband-equity-access-and-deployment-bead-program/bead-allocation-methodology>



- For example, if a subgrantee applicant commits to deploying broadband in 3 years, then the applicant would receive 1 point: $4-3=1$. If a subgrantee applicant commits to deploying broadband in 1 year, then the applicant would receive 3 points: $4-1=3$. To receive the maximum number of points under this category (4), an applicant would need to commit to completing deployment in less than 1 year. If an applicant takes more than 3 years to deploy broadband, then the applicant would receive 0 points.
- Applicants who fail to deliver on their deployment commitments will be subject to clawback provisions as outlined in Section 2.16.2: Subgrantee Accountability Procedures.

Speed of network and other technical capabilities: Maximum of 1 point possible

- Subgrantee applicants will provide both the maximum advertised speed they are committing to offer for a proposed project area, as well as the network design and proposed technologies to be used. A qualified engineer will review the speed and network design to ensure the proposed technology can achieve the specified speeds.
- Points will be awarded for projects that exceed the minimum standard required to reach served status (100 Mbps download / 20 Mbps upload). Specifically, points will be calculated as follows: If a subgrantee applicant commits to and can reasonably deliver (based on the network design) speeds of at least 250 Mbps download / 50 Mbps upload, the applicant will receive 1 point for that particular project area.

Unserved areas: Maximum of 10 points possible

- When the MBO releases application materials for the subgrantee process, the list of un- and underserved locations within each CBG will also be published. Subgrantee applicants will create project areas comprised of one or more CBGs. Since subgrantees must bid on all un- and underserved locations in a CBG, the MBO will have the list of un- and underserved locations that each subgrantee applicant is committing to provide with broadband service.
- Points will be awarded to applicants based on the percentage of unserved locations in their proposed project area out of the total broadband serviceable locations in their proposed project area. Specifically, points will be calculated as follows: 1 point will be awarded for every 10% of unserved locations in the project area.
- For example, if a project area contains 50% unserved locations, then the applicant would receive 5 points. If the project area contains 80% unserved locations, then the applicant would receive 8 points.

Number of locations served: Maximum of 1 point possible

- As mentioned above, subgrantee applicants will bid on project areas that represent one or more CBGs consisting of a defined set of un- and underserved Broadband Serviceable Locations (BSLs). In addition to the BSLs, the MBO will also publish the list of Community Anchor Institutions (CAIs) within each CBG. Subgrantee applicants will specify in their applications which CAIs they propose to deploy broadband service to.
- Points will be awarded to applicants based on the total number of locations (BSLs and CAIs) in their proposed project area. Once all applications are received, the MBO will calculate the average number of locations (BSLs and CAIs) proposed to be served across all project areas. Specifically, points will be calculated as follows: 1 point will be awarded if an applicant's proposed number of locations (BSLs and CAIs) for a particular project area exceeds the average number of locations (BSLs and CAIs)



across all project areas. No points will be awarded if the proposed number of locations (BSLs and CAIs) for a particular project area is less than the average number of locations (BSLs and CAIs) across all project areas.

- For example, if the average number of locations (BSLs and CAIs) across all project areas is 5,000 and the number of locations (BSLs and CAIs) proposed for a particular project area is 6,000, the project area would receive 1 point. If the number of locations (BSLs and CAIs) proposed for a particular project area is 4,000, the project area would receive 0 points.

Length of service in Montana: Maximum of 1 point possible

- Subgrantee applicants will provide the length of time they have been providing broadband service in the state, including broadband service provided by any legacy companies.
- Points will be awarded to applicants based on the length of time they have been providing broadband service in Montana. Specifically, points will be calculated as follows: 1 point will be awarded to any subgrantee applicant who has been providing broadband service in Montana for at least 10 years.

Existing infrastructure: Maximum of 4 points possible

- To receive points for existing infrastructure, subgrantee applicants will provide a shapefile that shows their existing infrastructure in relation to their proposed network design for BEAD funded infrastructure.

Points will be awarded based on the proposed network design's proximity to the existing service area. Specifically, points will be calculated based on the existing infrastructure's distance to the proposed network design as indicated in Exhibit 17.

Exhibit 2: Non-priority project existing infrastructure scoring rubric

Proximity to proposed network design	Points
< 1 miles	4
1 – 5 miles	3
5 – 10 miles	2
10 – 15 miles	1

High-cost areas: Maximum of 4 points possible

- When the MBO releases application materials for the subgrantee process, it will include the CBGs eligible for funding with the corresponding set of un- and underserved locations. Furthermore, the MBO will also designate which CBGs are classified as high-cost CBGs based on the definition of high-cost areas as determined by NTIA as part of the BEAD allocation process.²
- Points will be awarded to applicants based on the percentage of un- and underserved

² BEAD Allocation Methodology. Internet for All. <https://www.internet4all.gov/program/broadband-equity-access-and-deployment-bead-program/bead-allocation-methodology>



locations in high-cost CBGs included in a particular project area. Once applications are received, all project areas that include at least 1 high-cost CBG will be ranked from highest to lowest based on the percentage of un- and underserved locations in high-cost CBGs included in the project area. All project areas will then be assigned to a quartile based on the rank ordering. Specifically, points will be calculated as follows: 1 point will be awarded to any project area in the bottom quartile, 2 points will be awarded to any project area in the second lowest quartile, 3 points will be awarded to any project area in the second highest quartile, and 4 points will be awarded to any project area in the top quartile. Project areas without any high-cost CBGs will receive 0 points.

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